

ORIGINAL

Arizona Corporation Commis:

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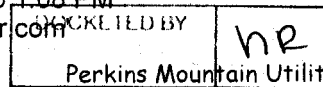
Brenda Marshall

SEP 21 2006

From: William Mundell
Sent: Thursday, September 21, 2006 1:08 PM
To: 'mborgard@kingmandailyminer.com'
Subject: My Turn

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2006 SEP 21 P 4:40



Perkins Mountain Utility Company SW-20379A-05-0489
Perkins Mountain Water Company W-20380A-05-0490

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AZ CORP COMMISSION

Earlier this morning, Mohave County Supervisor Pete Byers wrote a guest column entitled "Big cities look to tap county water" in the *Daily Miner*. That article not only contained a number of falsehoods but also revealed Supervisor Byers' fundamental misunderstanding of how the Arizona Corporation Commission operates.

The Commission is a separate and independent branch of Arizona government created by the Arizona Constitution. It is not part of the legislative branch, the executive branch, or the judiciary. The Department of Water Resources is a part of the executive branch and its director is appointed by, and serves at the pleasure of, the Governor. The Commissioners are elected statewide and answer to the people of Arizona.

The Commission performs its duties much differently than the legislature, a board of supervisors, or a city council. It is quasi-judicial – meaning the Commissioners are like judges. Our decisions are based on the evidence that has been admitted at a hearing under oath and has been subjected to cross-examination. We make our decisions based on the evidence, not what some lobbyist says. Furthermore, once a matter is set for hearing, we are prohibited from discussing the merits of a case with one party outside the presence of the others. The Commission takes its compliance with that prohibition very seriously. This is to ensure that the decision making process is open and transparent, preventing any "back-room deals."

Supervisor Byers also mischaracterized the Commission's scrutiny of Rhodes Homes. Perkins Mountain Water Company, a subsidiary of Rhodes Homes, has applied for a Certificate of Convenience and Necessity ("CC&N") from the Commission. If granted, a CC&N would give the Company the exclusive right to provide water service in the certificated area. This Commission will make its decision to grant a CC&N or not based on the facts of the case. The availability of an adequate supply of ground water for the development at Golden Valley, along with other issues, has been raised.

As to the Supervisor's allegations that the Commission has singled out this developer for heightened scrutiny, that is preposterous. No other applications have been filed at the Commission for a CC&N in that area. Because no other "large project in Mohave County" has even filed for a CC&N, Supervisor Byers' statement that one has gone "through like greased lightning" is obviously a complete and outright falsehood. Supervisor Byers needs to check the facts himself before making such an outlandish statement. Any application for a CC&N in an area where there may be an inadequate supply of water will be thoroughly scrutinized - just as they have been in the past in other parts of the state, including Maricopa County. The Rhodes/Perkins case is no different.

The reason for our concern is that the Commission has seen the difficulties that frequent outages inflict on the customers of a water company without an adequate supply of water. There are some systems where lack of water has necessitated the imposition of a moratorium on all new water meter installation. That means that no one can hook up to the system. You can build a house in the area, but you cannot get water service from the utility. You can imagine the frustration of someone who discovers this fact after purchasing property in the area. Our responsibility is to make sure that not only does the first customer have adequate water, but so does the 160,000th customer.

Supervisor Byers' assertion that we are closely scrutinizing Rhodes/Perkins so that Maricopa County can have the water instead of Mohave County is false and utterly ridiculous. If the Commissioners were not public

officials, that statement would be libelous. That allegation was made to inflame and mislead the people of Mohave County. This case has nothing to do with taking water from Mohave County and transferring it to Maricopa County. If Perkins' application for a CC&N were denied, the water would not then go to Maricopa County; it would remain where it is for use in Mohave County.

As I stated before, the Commission is a statewide office. We represent the entire state – including the people of Mohave County. We have been to Mohave County and Kingman numerous times to hear from the people on a variety of issues. We do not just sit in our offices in Phoenix, but actually go out to the communities impacted by our decisions, whether they are in Kingman, Nogales, Yuma, or any other part of this fine state. This practice was begun when I was Chairman and we continued it. We would be remiss in our duties if we had not taken an interest in the Rhodes/Perkins development. All the Commissioners are doing the job we were elected to do, i.e., asking tough questions of very powerful people and making sure that the public interest is protected.

My colleagues and I have not yet taken a position on this case because we have not heard all the facts. At this stage we are merely asking questions. After we have listened to and evaluated all the evidence admitted at the hearing, we shall strive to render a thoughtful and well-reasoned decision.

For the record, *I am term-limited and not up for election this year.*